

CARES – Federal Funds

Recorders Conference
April 2021

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What is CARES?

- Coronavirus Aid, Relief and Economic Security Act -2.2 trillion-dollar economic stimulus bill passed in March 2020.
- Provided 150 billion Corona Virus Relief funds to States and Local Governments
- If the local government had a population over 500,000, they received direct aid from the federal government. Additional aid was sent to each of the States.
- Indiana allocated funds to Counties and Cities/Towns from the State allocation



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What could it be used for?

- 1. Necessary expenditures incurred due to public health emergency with respect to COVID-19
- 2. Expenditures were not accounted for in the budget most recently approved as of March 27, 2021
- 3. Expenditures incurred between the period that began on March 1, 2020 and ended on December 31, 2020. (This was later amended to December 31, 2021)



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Indiana Finance Authority (IFA)

- Each county had to have a certification signed by Commissioner
- Claims were submitted for reimbursement for allowable expenses
- Townships, Libraries, Special Districts that had COVID related expenses submitted their claims to the county. When County received reimbursement, these reimbursements were distributed back to the Township, Library or Special District. This was part of the County's overall allocation.
- How this operated from March through August



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Big Change

- In September 2020, the Federal Government changed the requirements so that ALL payroll costs for public health and public safety employees are determined to be substantially dedicated to mitigating or responding to COVID-19 and could be reimbursed by CRF.
- The first reimbursement was for payroll costs incurred beginning March 1, 2020 to September 30, 2020.



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SBOA Memo issued September 30, 2020

- Provided guidance for accounting for the reimbursement for payroll costs for public health and public safety.
- Alternative, allowed the County to adopt an ordinance and move the amount reimbursed for payroll costs for public health and public safety to the general fund.
- Otherwise, the payroll costs would be moved from the originating fund to the CARES CRF grant fund.



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State Examiner Directive 2020-3

- Accounting or CARES Money Administered by IFA
- Payroll Reimbursement
- Costs other than payroll reimbursements



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What happened to COVID costs?

- Starting in September, IFA gave preference to claims for payroll costs for public health and public safety employees.
- Other projects were not reimbursed.
- The theory was that once the funds were in the County, the County would be able to pay for those costs from the General fund.



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Federal Requirements

- From Certification:
- “Failure of any CARES Act Request to meet any CARES Act qualifications and requirements (or if there is any misrepresentations made by the Participant related to this certification) shall require, upon any request of the Finance Authority, that the Participant repay to the State of Indiana the related CRF Program Funds. “



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What's next: ARPA

- American Rescue Plan Act of 2021
- 1.9 Trillion-dollar economic stimulus bill signed on March 11, 2021
- Assistance to States and local governments
- Counties will receive funds directly from the federal government
- This is an advance grant
- Period of availability: March 11, 2021 to December 31, 2024



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Use of ARP Act Funds

- 1. Respond to public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small business, and nonprofits, or aid to impacted industries such as tourism, travel and hospitality.
- 2. Respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the county or providing grants to eligible employers



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Use of ARP Act Funds

- 3. For the provision of government services to the extent of the reduction in revenue of the county due to COVID 19 relative to revenues collected in the most recent fiscal year.
- 4. Make necessary investments in water, sewer, or broadband infrastructure.



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Questions



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